

105TH CONGRESS
2D SESSION

H. R. 4272

To amend the Agricultural Market Transition Act to provide an alternative single payment for production flexibility contracts.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 1998

Mr. THUNE (for himself, Mr. LUCAS of Oklahoma, and Mr. MORAN of Kansas) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Market Transition Act to provide an alternative single payment for production flexibility contracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farm Life Extension
5 Act of 1998”.

6 **SEC. 2. ALTERNATIVE SINGLE PAYMENT.**

7 (a) IN GENERAL.—Section 112(d) of the Agricultural
8 Market Transition Act (7 U.S.C. 7212(d)) is amended—

1 (1) in paragraph (1), by striking “An” and in-
2 serting “Except as provided in paragraph (3), an”;
3 and

4 (2) by adding at the end the following:

5 “(3) SINGLE PAYMENT ALTERNATIVE.—The
6 Secretary may, at the request of an eligible owner or
7 producer, and in lieu of annual contract payments,
8 make a single payment representing the present
9 value, as of the time the single payment is made, of
10 the right to receive the remaining annual contract
11 payments that would otherwise be made under the
12 contract. Any single payment made under this para-
13 graph shall be conditioned on the owner or producer
14 irrevocably assigning to the Secretary or the des-
15 ignee of the Secretary the right of the owner or pro-
16 ducer to receive the full amount of the remaining
17 annual contract payments that would otherwise be
18 made under the contract in lieu of the single pay-
19 ment.”.

20 (b) PAYMENT LIMITATIONS.—Paragraphs (1) and
21 (2) of section 1001 of the Food Security Act of 1985 (7
22 U.S.C. 1308) are each amended by striking “The total”
23 and inserting “Except a single payment under section
24 112(d)(3) of the Agricultural Market Transition Act, the
25 total”.

1 **SEC. 3. FINANCING THROUGH THE FEDERAL AGRICUL-**
2 **TURAL MORTGAGE CORPORATION.**

3 (a) ISSUANCE OF SECURITIES.—

4 (1) IN GENERAL.—Notwithstanding the Farm
5 Credit Act of 1971, the Federal Agricultural Mort-
6 gage Corporation may issue securities, at the request
7 of the Secretary of Agriculture, to raise funds suffi-
8 cient to cover the amount (if any) by which Federal
9 outlays made in any fiscal year for single payments
10 under section 112(d)(3) of the Agricultural Market
11 Transition Act exceed the Federal outlays that
12 would have been made in the fiscal year for the an-
13 nual contract payments in lieu of which the single
14 payments are made.

15 (2) TERMS AND CONDITIONS.—Each security
16 issued pursuant to paragraph (1) shall be issued
17 subject to such terms and conditions as the Sec-
18 retary of Agriculture deems appropriate. Sections
19 8.32, 8.33, and 8.34 of the Farm Credit Act of 1971
20 shall not apply to any on- or off-balance sheet asset
21 created or acquired by the Federal Agricultural
22 Mortgage Corporation under this Act.

23 (b) USE OF PROCEEDS FROM SECURITY SALES.—

24 The proceeds from the sales of securities issued pursuant
25 to subsection (a) shall be covered into the Treasury of the
26 United States as a miscellaneous receipt.

1 (c) ADMINISTRATIVE AUTHORITIES.—The Secretary
2 of Agriculture may issue such regulations, enter into such
3 contracts, and take such other actions as the Secretary
4 determines are necessary or appropriate to implement this
5 Act.

6 (d) ASSIGNMENT OF ANNUAL PAYMENTS.—To the
7 extent that the Federal Agricultural Mortgage Corpora-
8 tion provides funds under this Act, the Secretary of Agri-
9 culture shall ensure that all annual contract payments
10 that would otherwise be made under any contract in lieu
11 of a single payment under section 112(d)(3) of the Agri-
12 cultural Market Transition Act are assigned to the Fed-
13 eral Agricultural Mortgage Corporation and are so paid
14 regardless of the status of the owner or producer assigning
15 the payments or the status of the land in respect of which
16 the payments were to be made.

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